

Message Text

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71

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SUBJECT: 1973 WAGE NEGOTIATIONS

REF: VIENNA 7664

1. RECENTLY CONCLUDED COLLECTIVE BARGAINING AGREEMENT IN MINING AND METAL WORKING INDUSTRIES (REFTEL) CONCLUDED MAJOR WAGE NEGOTIATIONS FOR THIS YEAR. RENEGOTIATED CONTRACTS COVERING 1.5 MILLION OUT OF 2.5 MILLION WAGE AND SALARY EARNERS REFLECT INCREASES IN COLLECTIVELY BARGAINED MINIMUM WAGES RANGING BETWEEN 14 AND 18 PERCENT IN CONTRAST TO LAST YEAR'S INCREASES PARTIALLY RESULTING FROM WAGE DRIFT OF APPROXIMATELY 10 TO 13 PERCENT. ADJUSTMENTS OF ACTUAL WAGE AND SALARY RATES WILL BE SLIGHTLY LOWER BUT NONETHELESS AMOUNT TO APPROXIMATELY 11 TO 13 PERCENT, THUS EXCEEDING 1972 BY 3 TO 4 PERCENT.

2. IN VIEW OF ACCELERATED RISE IN COST OF LIVING WHICH HAS EXCEEDED 7.5 PERCENT EARLY IN THE YEAR BUT DROPPED TO 6.5 PERCENT IN SEPTEMBER, TRADE UNION NEGOTIATORS INSISTED ON SHORTENING CONTRACT DURATION FROM PREVIOUS EIGHTEEN MONTHS TO FIFTEEN MONTHS OR OPEN-ENDED ALTOGETHER.

3. NOTWITHSTANDING COMMUNIST PARTY AND KPOE TRADE UNION FACTION DEMANDS THAT 20 PERCENT WAGE INCREASE IS ESSENTIAL

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TO MAINTAIN PURCHASING POWER, TRADE UNION LEADERSHIP IS

SATISFIED WITH 1973 WAGE ROUND SINCE IT GUARANTEES IMPLEMENTATION OF ITS POLICY CALLING FOR AT LEAST 3 PERCENT RISE IN NET SPENDABLE EARNINGS.

4. UNDER FOUR-YEAR AGREEMENT IN PUBLIC SECTOR WHICH CONTAINS ANNUAL IMPROVEMENT FACTOR AND COST OF LIVING ESCALATOR CLAUSE, AN 8.3 PERCENT INCREASE BECAME EFFECTIVE JULY 1 TO ALLAY REPETITION OF LAST SPRING'S WIDESPREAD UNREST AMONG TEACHERS, GOA HAS JUST RAISED THEIR STARTING SALARIES BY 15 TO 18 PERCENT RETROACTIVE TO OCTOBER 1. NEW ANNUAL BASE SALARIES NOW RANGE FROM AS\$5,900 FOR ELEMENTARY TEACHERS TO AS\$7,100 FOR THOSE WITH ADVANCED ACADEMIC TRAINING. HUMES

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